



EMCORE Reports Fiscal 2022 Third Quarter Results and Announces the Acquisition of the KVH FOG and Inertial Navigation Systems Business

August 9, 2022

ALHAMBRA, Calif., Aug. 09, 2022 (GLOBE NEWSWIRE) -- EMCORE Corporation (Nasdaq: EMKR), a leading provider of advanced mixed-signal products that serve the aerospace and defense, communications, and sensing markets, today announced results for the fiscal 2022 third quarter ended June 30, 2022 (3Q22) and that it acquired the Fiber Optic Gyroscope (FOG) and Inertial Navigation Systems business segment of KVH Industries, Inc. (Nasdaq: KVHI) for approximately \$55.0 million, subject to working capital adjustments, in an all-cash transaction. Management will host a conference call to discuss 3Q22 financial and business results as well as the acquisition today at 5:00 p.m. Eastern Time (ET).

Through the KVH transaction, EMCORE acquired all the intellectual property and outstanding assets and liabilities of KVH's FOG and Inertial Navigation Systems business segment, including the 100,384-square-foot production facility located in Tinley Park, Illinois. Cowen served as financial advisor to EMCORE and Pillsbury Winthrop Shaw Pittman LLP served as legal advisor to EMCORE in connection with the KVH transaction. Highlights of the deal include:

- Adds a new business generating over \$30.0 million in revenue on an annual basis
- EBITDA-positive addition with synergies anticipated for the next two years
- Value creation opportunities for both businesses at every level of the P&L
- Established customer base in the Army and a variety of terrestrial applications
- Opens new opportunities in the growing industrial autonomy market

EMCORE's consolidated revenue for 3Q22 was \$23.7 million, comprised of \$13.4 million from the Aerospace and Defense (A&D) segment and \$10.3 million from the Broadband segment. Net loss was \$7.6 million and \$6.3 million on a GAAP and non-GAAP basis, respectively. Adjusted EBITDA was negative \$5.1 million. Please refer to the schedules at the end of this press release for GAAP to non-GAAP reconciliations and other information related to non-GAAP financial measures.

"During 3Q22, our Space and Navigation operations performed very well, driving sequential A&D revenue up in 3Q22. However, our QMEMS product line was affected by multiple supply chain delays and shortages, as well as a COVID outbreak at our Concord facility," said Jeff Rittichier, President and Chief Executive Officer of EMCORE. "Demand in our A&D business segment is strong and we expect our QMEMS operational issues to improve with a rebound in the September quarter. Unfortunately, since our last call, the Cable TV business has become more turbulent, with a major customer deciding to exit CATV entirely. On a positive note, we began low volume shipments of data center chips as projected, signaling a new growth phase in Broadband."

"We are also very excited to add not only a strong and growing business with KVH's inertial navigation team, but also best-in-class manufacturing capabilities, low-cost technology development, and an exemplary sales team. When we combine these with EMCORE's closed loop and transceiver technologies, we see substantial opportunities for both businesses across revenue, gross margins, and net income. The addition of the KVH inertial navigation product line further expands our reach into the tactical grade segment of the market and solidifies EMCORE's position as one of the largest independent inertial navigation providers in the industry," added Mr. Rittichier.

Consolidated Results

| | Three Months Ended | | +increase/ -decrease |
|---|----------------------|----------------------|-------------------------|
| | Jun 30, 2022 3Q22 | Mar 31, 2022 2Q22 | |
| Revenue | \$23.7M | \$32.7M | -\$9.0M |
| Gross margin | 16% | 28% | -12% |
| Operating expenses | \$11.0M | \$11.3M | -\$0.3M |
| Operating margin | (30%) | (7%) | -23% |
| Net loss | (\$7.6M) | (\$2.2M) | -\$5.4M |
| Net loss per share diluted | (\$0.20) | (\$0.06) | -\$0.14 |
| Non-GAAP gross margin (1) | 18% | 30% | -12% |
| Non-GAAP operating expenses (1) | \$10.5M | \$10.4M | +\$0.1M |
| Non-GAAP operating margin (1) | (27%) | (2%) | -25% |
| Non-GAAP net loss (1) | (\$6.3M) | (\$0.8M) | -\$5.5M |
| Non-GAAP net loss per share diluted (1) | (\$0.17) | (\$0.02) | -\$0.15 |
| Adjusted EBITDA | (\$5.1M) | \$0.3M | -\$5.4M |
| Ending cash and cash equivalents | \$75.1M | \$80.9M | -\$5.8M |

(1) Please refer to the schedules at the end of this press release for GAAP to non-GAAP reconciliations and other information related to non-GAAP financial measures.

Aerospace and Defense Segment

A&D's sequential-quarter revenue increase was driven primarily by the addition of the Space and Navigation business acquired from L3 Harris

Technologies, Inc. on April 29, 2022, as the QMEMS revenue decrease was offset by higher Defense Optoelectronics and FOG revenue. A&D segment gross margin decreased primarily as a result of lower sales of QMEMS products.

| | Three Months Ended | | +increase/ -decrease |
|---|----------------------|----------------------|-------------------------|
| | Jun 30, 2022 3Q22 | Mar 31, 2022 2Q22 | |
| A&D segment revenue | \$13.4M | \$9.0M | +\$4.4M |
| A&D segment gross margin | 12% | 14% | -2% |
| A&D segment R&D expense | \$3.8M | \$4.0M | -\$0.2M |
| A&D segment profit | (\$2.3M) | (\$2.8M) | +\$0.5M |
| Non-GAAP A&D segment gross margin (1) | 13% | 15% | -2% |
| Non-GAAP A&D segment R&D expense (1) | \$3.7M | \$3.9M | -\$0.2M |
| Non-GAAP A&D segment profit | (\$1.9M) | (\$2.6M) | +\$0.7M |
| (1) Please refer to the schedules at the end of this press release for GAAP to non-GAAP reconciliations and other information related to non-GAAP financial measures. | | | |

Broadband Segment

Broadband's sequential-quarter revenue decrease was primarily due to a decline in revenue from CATV products. Broadband segment gross margin decreased primarily as a result of the lower revenue and under-absorption of fixed overhead.

| | Three Months Ended | | +increase/ -decrease |
|---|----------------------|----------------------|-------------------------|
| | Jun 30, 2022 3Q22 | Mar 31, 2022 2Q22 | |
| Broadband segment revenue | \$10.3M | \$23.6M | -\$13.3M |
| Broadband segment gross margin | 23% | 33% | -10% |
| Broadband segment R&D expense | \$0.7M | \$0.5M | +\$0.2M |
| Broadband segment profit | \$1.7M | \$7.3M | -\$5.6M |
| Non-GAAP Broadband segment gross margin (1) | 24% | 35% | -11% |
| Non-GAAP Broadband segment R&D expense (1) | \$0.6M | \$0.4M | +\$0.2M |
| Non-GAAP Broadband segment profit | \$1.9M | \$7.9M | -\$6.0M |
| (1) Please refer to the schedules at the end of this press release for GAAP to non-GAAP reconciliations and other information related to non-GAAP financial measures. | | | |

Business Outlook

The Company expects revenue for the fiscal 2022 fourth quarter ending September 30, 2022 to be in the range of \$24 million to \$26 million, inclusive of a partial quarter revenue from the acquisition announced today.

Conference Call

The Company will discuss its financial results on Tuesday, August 9, 2022 at 5:00 p.m. ET (2:00 p.m. PT). The call will be available, live, to interested parties by dialing 888-221-3881. For international callers, please dial +1 313-209-6544. The conference passcode number is 165956. The call will be webcast live via the Company's website at <http://www.emcore.com>. A webcast will be available for replay following the conclusion of the call.

About EMCORE

EMCORE Corporation is a leading provider of advanced mixed-signal products that serve the aerospace and defense, communications, and sensing markets. Our best-in-class components and systems support a broad array of applications including navigation and inertial sensing, defense optoelectronics, broadband communications, optical sensing, and specialty chips for telecom and data centers. We leverage industry-leading Quartz MEMS, Lithium Niobate, and Indium Phosphide chip-level technology to deliver state-of-the-art component and system-level products across our end-market applications. EMCORE has vertically-integrated manufacturing capability at its facilities in Alhambra, CA, Budd Lake, NJ, and Concord, CA. Our manufacturing facilities maintain ISO 9001 quality management certification, and we are AS9100 aerospace quality certified at our facilities in Budd Lake and Concord. For further information about EMCORE, please visit <http://www.emcore.com>.

About KVH Industries, Inc.

KVH Industries, Inc. is a global leader in mobile connectivity and inertial navigation systems with innovative technology designed to enable a mobile world. A market leader in maritime VSAT, KVH designs, manufactures, and provides connectivity and content services globally. KVH is also a premier manufacturer of high-performance sensors and integrated inertial systems for defense and commercial applications. Founded in 1982, the company is based in Middletown, RI with research, development, and manufacturing operations in Middletown, RI, and Tinley Park, IL, and more than a dozen offices around the globe.

Use of Non-GAAP Financial Measures

The Company conforms to U.S. Generally Accepted Accounting Principles ("GAAP") in the preparation of its financial statements. We disclose supplemental non-GAAP earnings measures for gross margin, operating expenses, research and development expenses, operating margin, and net loss, as well as adjusted EBITDA.

Management believes these supplemental non-GAAP measures reflect the Company's core ongoing operating performance and facilitates comparisons across reporting periods. The Company uses these measures when evaluating its financial results and for planning and forecasting of

future periods. We believe that these supplemental non-GAAP measures are also useful to investors in assessing our operating performance. While we believe in the usefulness of these supplemental non-GAAP measures, there are limitations. Our non-GAAP measures may not be reported by other companies in our industry and/or may not be directly comparable to similarly titled measures of other companies due to potential differences in calculation. We compensate for these limitations by using these non-GAAP measures as a supplement to GAAP and by providing the reconciliations to the most comparable GAAP measure.

The schedules at the end of this press release reconcile the Company's non-GAAP measures to the most directly comparable GAAP measure. The adjustments share one or more of the following characteristics: they are unusual and the Company does not expect them to recur in the ordinary course of its business, they do not involve the expenditure of cash, they are unrelated to the ongoing operation of the business in the ordinary course, or their magnitude and timing is largely outside of the Company's control. For all reporting periods disclosed, the Company has applied consistent rationale, method, and adjustments in reconciling non-GAAP measures to the most directly comparable GAAP measure.

Non-GAAP measures are not in accordance with or an alternative to GAAP, nor are they meant to be considered in isolation or as a substitute for comparable GAAP measures. Our disclosures of these measures should be read only in conjunction with our financial statements prepared in accordance with GAAP. Non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

Forward-Looking Statements

The information provided herein may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Such forward-looking statements include, in particular, projections about our future results, including growth expectations in the A&D segment, expected revenue from our recent acquisition of the Space & Navigation business of L3 Harris Technologies, Inc., statements regarding the anticipated benefits of our acquisition of the FOG and Inertial Navigation Systems business segment from KVH Industries, Inc., including future opportunities for both EMCORE and the acquired business across revenue, gross margins and net income, anticipated impact on product offerings, anticipated impact on EBITDA and potential synergies impacting the financial performance of both EMCORE and the acquired business, potential new opportunities in the industrial autonomy market, and statements about our future results of operations and financial position, plans, strategies, business prospects, changes, and trends in our business and the markets in which we operate.

These forward-looking statements may be identified by the use of terms and phrases such as "anticipates", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "plans", "projects", "targets", "will", and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters such as projected financial results, the development of new products, enhancements or technologies, sales levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. We caution that these forward-looking statements relate to future events or our future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of our business or our industry to be materially different from those expressed or implied by any forward-looking statements.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, including without limitation, the following: (a) uncertainties regarding the effects of the COVID-19 pandemic, the length of time it will take for the COVID-19 pandemic to subside, and the impact of measures intended to reduce its spread on our business and operations, which is evolving and beyond our control; (b) the rapidly evolving markets for the Company's products and uncertainty regarding the development of these markets; (c) the Company's and the acquired business from KVH Industries, Inc.'s historical dependence on sales to a limited number of customers and fluctuations in the mix of products and customers in any period; (d) delays and other difficulties in commercializing new products; (e) the failure of new products: (i) to perform as expected without material defects, (ii) to be manufactured at acceptable volumes, yields, and cost, (iii) to be qualified and accepted by our customers, and (iv) to successfully compete with products offered by our competitors; (f) uncertainties concerning the availability and cost of commodity materials and specialized product components that we do not make internally; (g) actions by competitors; (h) risks and uncertainties related to applicable laws and regulations, including the impact of changes to applicable tax laws and tariff regulations; (i) acquisition-related risks, including that (i) the revenues and net operating results obtained from our recent acquisitions, including our acquisition of the FOG and Inertial Navigation Systems business segment of KVH Industries, Inc., may not meet our expectations, (ii) the costs and cash expenditures for integration of our recent acquisitions, including our acquisition of the FOG and Inertial Navigation Systems business of KVH Industries, Inc., may be higher than expected, (iii) we may not recognize the anticipated synergies from our recent acquisitions, including our acquisition of the FOG and Inertial Navigation Systems business of the KVH Industries Inc., (iv) there could be losses and liabilities arising from these acquisitions, including our acquisition of the FOG and Inertial Navigation Systems business of KVH Industries, Inc., that we will not be able to recover from any source, and (v) we may not realize sufficient scale from these acquisitions and will need to take additional steps, including making additional acquisitions, to achieve our growth objectives for this product line; (j) risks related to our ability to obtain capital; (k) the effect of component shortages and any alternatives thereto; (l) risks and uncertainties related to manufacturing and production capacity and expansion plans related thereto; (m) risks related to the conversion of order backlog into product revenue; and (n) other risks and uncertainties discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021, as updated by our subsequent periodic reports.

Forward-looking statements are based on certain assumptions and analysis made in light of our experience and perception of historical trends, current conditions, and expected future developments as well as other factors that we believe are appropriate under the circumstances. While these statements represent our judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. All forward-looking statements in this press release are made as of the date hereof, based on information available to us as of the date hereof, and subsequent facts or circumstances may contradict, obviate, undermine, or otherwise fail to support or substantiate such statements. We caution you not to rely on these statements without also considering the risks and uncertainties associated with these statements and our business that are addressed in our filings with the Securities and Exchange Commission ("SEC") that are available on the SEC's web site located at www.sec.gov, including the sections entitled "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. Certain information included in this press release may supersede or supplement forward-looking statements in our other Exchange Act reports filed with the SEC. We do not intend to update any forward-looking statement to conform such statements to actual results or to changes in our expectations, except as required by applicable law or regulation.

(unaudited)

| | For the Three Months Ended June 30, | | For the Nine Months Ended June 30, | |
|---|-------------------------------------|-----------|------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 23,675 | \$ 42,658 | \$ 98,561 | \$ 114,490 |
| Cost of revenue | 19,777 | 25,433 | 69,849 | 70,059 |
| Gross profit | 3,898 | 17,225 | 28,712 | 44,431 |
| Operating expense: | | | | |
| Selling, general, and administrative | 7,800 | 6,081 | 22,550 | 17,941 |
| Research and development | 4,513 | 4,500 | 13,675 | 12,567 |
| Severance | — | — | 1,318 | — |
| (Gain) loss on sale of assets | (1,318) | 250 | (1,919) | 439 |
| Total operating expense | 10,995 | 10,831 | 35,624 | 30,947 |
| Operating (loss) income | (7,097) | 6,394 | (6,912) | 13,484 |
| Other (expense) income: | | | | |
| Gain on extinguishment of debt | — | 6,561 | — | 6,561 |
| Interest income (expense), net | 9 | 579 | (14) | 481 |
| Foreign exchange (loss) gain | (185) | 87 | (160) | 256 |
| Pension expense | (349) | — | (349) | — |
| Total other (expense) income | (525) | 7,227 | (523) | 7,298 |
| (Loss) income before income tax expense | (7,622) | 13,621 | (7,435) | 20,782 |
| Income tax expense | (27) | (6) | (25) | (214) |
| Net (loss) income | \$ (7,649) | \$ 13,615 | \$ (7,460) | \$ 20,568 |
| Foreign exchange translation adjustment | 69 | (5) | 91 | (26) |
| Comprehensive (loss) income | \$ (7,580) | \$ 13,610 | \$ (7,369) | \$ 20,542 |
| Per share data | | | | |
| Net (loss) income per basic share | \$ (0.20) | \$ 0.37 | \$ (0.20) | \$ 0.62 |
| Weighted-average number of basic shares outstanding | 37,425 | 36,768 | 37,197 | 33,069 |
| Net (loss) income per diluted share | \$ (0.20) | \$ 0.35 | \$ (0.20) | \$ 0.59 |
| Weighted-average number of diluted shares outstanding | 37,425 | 38,893 | 37,197 | 34,777 |

EMCORE CORPORATION
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

| | As of | |
|--|---------------|--------------------|
| | June 30, 2022 | September 30, 2021 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 74,609 | \$ 71,621 |
| Restricted cash | 520 | 61 |
| Accounts receivable, net of credit loss of \$267 and \$260, respectively | 24,287 | 31,849 |
| Contract assets | 7,439 | 361 |
| Inventory | 29,206 | 32,309 |
| Prepaid expenses and other current assets | 6,471 | 6,877 |
| Assets held for sale | 480 | 1,241 |
| Total current assets | 143,012 | 144,319 |
| Property, plant, and equipment, net | 26,079 | 22,544 |
| Goodwill | 354 | 69 |
| Operating lease right-of-use assets | 20,938 | 13,489 |
| Other intangible assets, net | 1,548 | 167 |
| Other non-current assets | 1,592 | 225 |
| Total assets | \$ 193,523 | \$ 180,813 |
| LIABILITIES and SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 13,335 | \$ 16,686 |
| Accrued expenses and other current liabilities | 11,651 | 9,568 |
| Customer deposits | 9,042 | 368 |
| Operating lease liabilities - current | 2,156 | 1,198 |

| | | |
|---|------------|------------|
| Total current liabilities | 36,184 | 27,820 |
| Operating lease liabilities - non-current | 19,240 | 12,684 |
| Asset retirement obligations | 4,516 | 2,049 |
| Other long-term liabilities | 9 | 794 |
| Total liabilities | 59,949 | 43,347 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Common stock, no par value, 50,000 shares authorized; 44,449 shares issued and 37,543 shares outstanding as of June 30, 2022; 43,890 shares issued and 36,984 shares outstanding as of September 30, 2021 | 785,743 | 782,266 |
| Treasury stock at cost; 6,906 shares as of June 30, 2022 and September 30, 2021 | (47,721) | (47,721) |
| Accumulated other comprehensive income | 778 | 687 |
| Accumulated deficit | (605,226) | (597,766) |
| Total shareholders' equity | 133,574 | 137,466 |
| Total liabilities and shareholders' equity | \$ 193,523 | \$ 180,813 |

EMCORE CORPORATION
Reconciliations of GAAP to Non-GAAP Financial Measures

| | Three Months Ended | |
|---------------------------------------|--------------------|-----------------|
| | Jun 30, 2022 | Mar 31, 2022 |
| | 3Q22 | 2Q22 |
| Gross profit | \$ 3,898 | \$ 9,017 |
| Gross margin | 16% | 28% |
| Adjustments: | | |
| Stock-based compensation expense | 275 | 178 |
| Asset retirement obligation accretion | 9 | 9 |
| Amortization of intangible assets | 40 | 12 |
| CATV transition - shutdown expense | — | 432 |
| Total adjustments | 324 | 631 |
| Non-GAAP gross profit | \$ 4,222 | \$ 9,648 |
| Non-GAAP gross margin | 18% | 30% |

| | Three Months Ended | |
|--|--------------------|------------------|
| | Jun 30, 2022 | Mar 31, 2022 |
| | 3Q22 | 2Q22 |
| Operating expense | \$ 10,995 | \$ 11,330 |
| Stock-based compensation expense | (1,248) | (966) |
| Severance expense | — | (20) |
| CATV transition - gain on sale of assets | 1,318 | 788 |
| Acquisition-related expense | (313) | (456) |
| Litigation-related expense | (213) | (290) |
| Non-GAAP operating expense | \$ 10,539 | \$ 10,386 |

| | Three Months Ended | |
|--|--------------------|--------------|
| | Jun 30, 2022 | Mar 31, 2022 |
| | 3Q22 | 2Q22 |
| Operating profit | \$ (7,097) | \$ (2,313) |
| Operating margin | (30%) | (7%) |
| Adjustments: | | |
| Stock-based compensation expense | 1,523 | 1,144 |
| Asset retirement obligation accretion | 9 | 9 |
| Amortization of acquired intangibles | 40 | 12 |
| Severance expense | — | 20 |
| CATV transition - shutdown expense | — | 432 |
| CATV transition - gain on sale of assets | (1,318) | (788) |
| Acquisition-related expense | 313 | 456 |

| | | |
|----------------------------------|-------------------|-----------------|
| Litigation-related expense | 213 | 290 |
| Total adjustments | 780 | 1,575 |
| Non-GAAP operating profit | \$ (6,317) | \$ (738) |
| Non-GAAP operating margin | (27%) | (2%) |
| Depreciation expense | 1,185 | 1,008 |
| Adjusted EBITDA | \$ (5,132) | \$ 270 |
| Adjusted EBITDA % | (22%) | 1% |

| | Three Months Ended | |
|-----------------------------------|--------------------|-------------------|
| | Jun 30, 2022 | Mar 31, 2022 |
| | 3Q22 | 2Q22 |
| Net loss | \$ (7,649) | \$ (2,225) |
| Net loss per share diluted | \$ (0.20) | \$ (0.06) |

Adjustments:

| | | |
|--|--------------|--------------|
| Stock-based compensation expense | 1,523 | 1,144 |
| Asset retirement obligation accretion | 9 | 9 |
| Amortization of intangible assets | 40 | 12 |
| Severance expense | — | 20 |
| CATV transition - shutdown expense | — | 432 |
| CATV transition - gain on sale of assets | (1,318) | (788) |
| Acquisition-related expense | 313 | 456 |
| Litigation-related expense | 213 | 290 |
| Acquisition-related pension expense | 349 | — |
| Foreign exchange loss | 185 | 17 |
| Income tax expense (benefit) | 27 | (117) |
| Total adjustments | 1,341 | 1,475 |

| | | |
|--|-------------------|------------------|
| Non-GAAP net loss | \$ (6,308) | \$ (750) |
| Non-GAAP net loss per share diluted | \$ (0.17) | \$ (0.02) |

| | | |
|--------------------------------|-------------------|---------------|
| Interest (income) expense, net | (9) | 12 |
| Depreciation expense | 1,185 | 1,008 |
| Adjusted EBITDA | \$ (5,132) | \$ 270 |
| Adjusted EBITDA % | (22%) | 1% |

| | Three Months Ended | | | Three Months Ended | |
|---------------------------------------|--------------------|-----------------|---------------------------------------|--------------------|-----------------|
| | Jun 30, 2022 | Mar 31, 2022 | | Jun 30, 2022 | Mar 31, 2022 |
| | 3Q22 | 2Q22 | | 3Q22 | 2Q22 |
| Aerospace and Defense | | | Broadband | | |
| Gross profit | \$ 1,551 | \$ 1,233 | Gross profit | \$ 2,347 | \$ 7,784 |
| Gross margin | 12% | 14% | Gross margin | 23% | 33% |
| Adjustments: | | | Adjustments: | | |
| Stock-based compensation expense | 147 | 96 | Stock-based compensation expense | 128 | 82 |
| Asset retirement obligation accretion | — | — | Asset retirement obligation accretion | 9 | 9 |
| Amortization of intangible assets | 40 | 12 | Amortization of intangible assets | — | — |
| Total adjustments | 187 | 108 | Total adjustments | 137 | 523 |
| Non-GAAP gross profit | \$ 1,738 | \$ 1,341 | Non-GAAP gross profit | \$ 2,484 | \$ 8,307 |
| Non-GAAP gross margin | 13% | 15% | Non-GAAP gross margin | 24% | 35% |
| R&D expense | \$ 3,834 | \$ 4,041 | R&D expense | \$ 679 | \$ 494 |
| Stock-based compensation expense | (167) | (118) | Stock-based compensation expense | (80) | (67) |
| Non-GAAP R&D expense | \$ 3,667 | \$ 3,923 | Non-GAAP R&D expense | \$ 599 | \$ 427 |

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Source: EMCORE Corporation